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March 7, 2008

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: Response to South Dakota Public Utilities Commission Staff Data Request
Number 8 – in Docket Number EL05-023 – In the matter of the application of Xcel
Energy for a construction permit to build 9.6 miles of the Split Rock to Lakefield
Junction 345KV transmission line and add facilities to the Split Rock Substation.

Dear Ms. Van Gerpen:

Enclosed is Xcel Energy's response to the eighth data request in the matter
referenced above.

If anyone has any questions, please call me at 339-8350

Sincerely,

A handwritten signature in black ink, appearing to read 'J Wilcox', written in a cursive style.

Jim Wilcox

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Xcel Energy

Docket No.: EL05-023

Response To: SD PUC Staff Information Request No. 8-1

Date Received: March 6, 2008

Question:

Is structure 35 currently in a location different from that approved by the Commission in the above-captioned matter?

Response:

Yes. Structure 35 is the location where the Xcel Energy line “taps into” the north-south WAPA line. It was determined by our contractor, Burns & McDonnell, that the original plan for the placement of structure 35 would have caused unacceptable mechanical stress on the adjacent WAPA structures and therefore, it was necessary to move structure 35 approximately 70 feet to the north and east from its originally planned location. The new location places structure 35 in line with the existing WAPA line in order to alleviate that mechanical stress. Additional considerations in that decision included a billboard that sits near this structure as well as the location of the interstate highway fence. This structure may not encroach the highway right-of-way other than to “overhang the ditch.”

Finally, the new location for structure 35 remains within the easement that Xcel Energy acquired for this project. The landowners have been contacted and the Company believes they have agreed to this modification.

Response By: Mark Anderson
Title: Project Manager
Department: Xcel Energy Services Inc.
Telephone: 612-330-6468
Date: March 7, 2008

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Xcel Energy

Docket No.: EL05-023

Response To: SD PUC Staff

Information Request No. 8-2

Date Received: March 6, 2008

Question:

When was the decision made to move structure 35?

Response:

Xcel Energy understands that the planned location for structure 35 was moved by its Contractor Burns & McDonnell as part of their final design optimization process in about August of 2007.

Response By: Mark Anderson

Title: Project Manager

Department: Xcel Energy Services Inc.

Telephone: 612-330-6468

Date: March 7, 2008

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Xcel Energy

Docket No.: EL05-023

Response To: SD PUC Staff

Information Request No. 8-3

Date Received: March 6, 2008

Question:

Who approved moving structure 35?

Response:

Xcel Energy's Contractor Burns & McDonnell.

Response By: Mark Anderson

Title: Project Manager

Department: Xcel Energy Services Inc.

Telephone: 612-330-6468

Date: March 7, 2008

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Xcel Energy

Docket No.: EL05-023

Response To: SD PUC Staff Information Request No. 8-4

Date Received: March 6, 2008

Question:

When was the landowner (Robert and Sandy Johnson) notified that structure 35 was to be moved?

Response:

When Xcel Energy first became aware of the change in locations in January 2008, the Company contacted the landowners and sought to negotiate a settlement for the changed locations for both structures 34 and 35. That negotiation failed on structure 34 and it was physically moved back to the centerline. The Company believes that the landowners are in agreement with the change in location of structure 35.

Response By: Dave Callahan
Title: Supervisor
Department: Siting and Land Rights
Telephone: 612-330-5951
Date: March 7, 2008

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Xcel Energy

Docket No.: EL05-023

Response To: SD PUC Staff Information Request No. 8-5

Date Received: March 6, 2008

Question:

When was structure 35 placed in the ground?

Response:

The foundation for structure 35 was poured on January 8, 2008.

Response By: Mark Anderson
Title: Project Manager
Department: Xcel Energy Services Inc.
Telephone: 612-330-6468
Date: March 7, 2008

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Xcel Energy

Docket No.: EL05-023

Response To: SD PUC Staff Information Request No. 8-6

Date Received: March 6, 2008

Question:

Pursuant to the Terms and Conditions in the Stipulation Xcel agreed to the following:

2. If it becomes necessary to deviate from the described centerline to accommodate engineering and applicable safety and construction requirements based upon actual conditions encountered during construction, all landowners affected by the deviation and the Commission must be notified in writing five working days before the deviation may occur. The Commission must approve all deviations from the Project.
3. In order to ensure compliance with the terms and conditions of this permit pursuant to SDCL 49-41B-33, it is necessary for the enforcement of this Order that all employees, contractors and agents of the Applicant, to the extent of its interest, involved in this Project be made aware of the terms and conditions of this permit.
4. The Applicant shall ensure that its employees, contractors and agents involved in ROW negotiations and acquisitions, ROW clearing, line construction and ROW and line maintenance understand fully and comply with the terms and conditions of this permit.

Please explain why the Terms and Conditions were not complied with in a timely manner.

Response:

Xcel Energy acknowledges deviation from the stipulation agreement as specified in point 2 above.

In its contract with Burns and McDonnell, contractor for the services on the project in question, Xcel Energy included a clause that calls for the contractor to follow any stipulations that become a part of any construction permits that are acquired. Xcel Energy provided the contractor with a copy of this stipulation agreement that became a part of the SD PUC's order in this matter. Xcel Energy believes that point 3 above was satisfied with the delivery of that stipulation agreement.

Xcel Energy is in the process of investigating this matter with Burns & McDonnell, however, it appears that a communication failure between the contractor and Xcel Energy resulted in the Company's project management not being informed of the necessary change to structure 35 and as such, the Company was unaware and did not seek approval from the Commission for the structure location change in a timely fashion. Xcel Energy takes seriously its responsibility to meet the terms and conditions of agreements with the Commission and the Company is taking steps to avoid this type of communication error in the future.

Response By: Jim Wilcox
Title: Manager
Department: Government & Regulatory Affairs
Telephone: 605-339-8350
Date: March 7, 2008